

**To:** Paul Argyropoulos/DC/USEPA/US@EPA[]  
**Cc:** Karl Simon/DC/USEPA/US@EPA; Christopher Grundler/AA/USEPA/US@EPA; Paul Machiele/AA/USEPA/US@EPA; David Korotney/AA/USEPA/US@EPA; Byron Bunker/AA/USEPA/US@EPA; Mary Manners/AA/USEPA/US@EPA; Anne Steckel (b) (6) Christopher Grundler/AA/USEPA/US@EPA; Paul Machiele/AA/USEPA/US@EPA; David Korotney/AA/USEPA/US@EPA; Byron Bunker/AA/USEPA/US@EPA; Mary Manners/AA/USEPA/US@EPA; Anne Steckel (b) (6) Paul Machiele/AA/USEPA/US@EPA; David Korotney/AA/USEPA/US@EPA; Byron Bunker/AA/USEPA/US@EPA; Mary Manners/AA/USEPA/US@EPA; Anne Steckel (b) (6) David Korotney/AA/USEPA/US@EPA; Byron Bunker/AA/USEPA/US@EPA; Mary Manners/AA/USEPA/US@EPA; Anne Steckel (b) (6) Byron Bunker/AA/USEPA/US@EPA; Mary Manners/AA/USEPA/US@EPA; Anne Steckel (b) (6) Anne Steckel (b) (6)  
**From:** Larry Schafer  
**Sent:** Wed 1/2/2013 4:58:10 PM  
**Subject:** Follow up from Biodiesel --- NEWS - Biodiesel Industry Applauds as Congress Votes to Extend Tax Incentive  
**MAIL\_RECEIVED:** Wed 1/2/2013 5:07:01 PM  
[Cardno ENTRIX 2013 Tax Credit Extension Final 112712 \(2\).doc](#)  
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Paul and others:

Happy New Year! -- We hope you were able to get some rest ...

Last night, among other things, Congress included in its final "Fiscal Cliff" deal an extension of the Biodiesel Tax Credit.

This is a big opportunity for domestic advanced biofuels producers where we expect to produce approximately 1.75 billion gallons of biodiesel in 2013 -- some 470 million gallons beyond the RFS minimum requirement of 1.28 billion gallons -- according to a study, conducted by Cardno ENTRIX, an international economics consulting firm -- Looking to next year, the study found that the industry would support some 112,078 jobs nationally with the tax credit in place versus 81,977 without it. Additionally, the return of the incentive is projected to increase household income by some \$1.6 billion next year while supporting an additional \$3.1 billion in GDP.

As always, we look forward to working with your team.

If you need anything from us in the short term please let us know.

Thank you.

From: National Biodiesel Board (Ben Evans) [mailto:(b) (6)]  
Sent: Tuesday, January 01, 2013 11:46 PM  
To: (b) (6)  
Subject: NEWS - Biodiesel Industry Applauds as Congress Votes to Extend Tax Incentive

NEWS

FOR IMMEDIATE RELEASE - Jan. 1, 2013

Contact: Ben Evans, (b) (6) (b) (6)

Congress Votes to Reinstate Biodiesel Tax Incentive

Industry Poised for Growth, Job Gains in 2013

WASHINGTON - The U.S. biodiesel industry applauded Tuesday as the U.S. House cleared a year-end fiscal package that reinstates the biodiesel tax incentive for 2012 and 2013. President Obama is expected to quickly sign the bill into law.

"It's been a long year with a lot of missed opportunity and lost jobs in the biodiesel industry. But we're pleased that Congress has finally approved an extension so that we can get production back on track," said Anne Steckel, vice president of federal affairs at the National Biodiesel Board (NBB). "This is not an abstract issue. In the coming months, because of this decision, we'll begin to see real economic impacts with companies expanding production and hiring new employees."

The biodiesel tax incentive expired on Dec. 31, 2011. A recent study found that the industry would have produced an additional 300 million gallons this year with the tax incentive in place. That would have supported some 19,213 additional jobs, for a total of 83,258 jobs supported by the industry nationwide, according to the study, conducted by Cardno ENTRIX, an international economics consulting firm. Looking to next year, the study found that the industry would support some 112,078 jobs nationally with the tax credit in place versus 81,977 without it. Additionally, the return of the incentive is projected to increase household income by some \$1.6 billion next year while supporting an additional \$3.1 billion in GDP.

Along with these economic benefits, Steckel emphasized that biodiesel is helping reduce America's dependence on imported petroleum and making us less vulnerable to global petroleum markets that continue to disrupt the

economy and threaten our national security, while significantly reducing tailpipe pollution and greenhouse gas emissions.

"This is important not just for jobs but for diversifying our energy supplies, improving our energy security and reducing costly emissions," Steckel said.

The \$1-per-gallon biodiesel tax incentive was first implemented in 2005. Congress has allowed it to lapse twice, in 2010 and again in 2012. Under the legislation approved by the House on Tuesday and first passed by the Senate on Monday, the incentive will be reinstated retroactively to Jan. 1, 2012 and through the end of 2013.

Steckel thanked the industry's supporters on Capitol Hill for pressing for the incentive, particularly Sens. Maria Cantwell, D-Wash., and Charles Grassley, R-Iowa, and Reps. Aaron Schock, R-Ill.; and Collin Peterson, D-Minn.

Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. It is the first and only commercial-scale fuel produced across the U.S. to meet the Environmental Protection Agency's definition as an Advanced Biofuel - meaning the PA has determined that it reduces greenhouse gas emissions by more than 50 percent when compared with petroleum diesel. The industry has plants in nearly every state in the country. NBB is the U.S. biodiesel trade association.

###

For more information on biodiesel, visit [biodiesel.org](http://biodiesel.org).

Image removed by sender.

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Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)  
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## **ECONOMIC IMPACT OF REINSTATING THE BIODIESEL TAX CREDIT THROUGH 2013**

Prepared for the National Biodiesel Board  
John M. Urbanchuk  
Technical Director – Environmental Economics  
November 27, 2012

Cardno ENTRIX

10 Corporate Circle  
Suite 300  
New Castle, DE 19720  
USA

Phone (b) (6)  
Toll-free (b) (6)  
Fax (b) (6)  
[www.cardno.com](http://www.cardno.com)

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### **Executive Summary**

The purpose of this study is to examine the economic impact that would have occurred had the biodiesel tax credit been in place in 2012 and reinstated for 2013. Had the biodiesel tax credit been in effect an additional 300 million gallons of biodiesel would be produced in 2012. Reinstatement of the tax credit in 2013 will increase biodiesel production by an additional 470 million gallons. The overall economy will benefit from the activity generated by additional biodiesel output created by reinstatement of the biodiesel tax credit.

Had the tax credit been in place during 2012:

- The biodiesel industry would have supported more than 83,000 jobs throughout the entire economy, 19,200 more than without the tax credit.
- \$4.4 billion of household income would have been generated, \$962 million more than without the credit.
- The economy measured by GDP would have been \$1.8 billion larger than otherwise

Reinstatement of the tax credit for 2013:

- Will support more than 112,000 jobs in all sectors of the economy, 30,000 more than would be supported by just meeting the RFS2 target of 1.28 billion gallons.
- \$5.8 billion of household income will be generated, \$1,6 billion more than without the tax credit, and
- Value-added output will increase an additional \$3.1 billion for a total contribution of nearly \$11 billion to aggregate GDP.

## Analysis

In 2011, with the biodiesel tax credit combined with the renewable fuels program (RFS), the U.S. biodiesel industry produced nearly 1.1 billion gallons of biodiesel – 300 million gallons more than the minimum requirement of the RFS. In 2012, after a consistent month-by-month start to the year, and after expiration of the tax credit on December 31, 2011, biodiesel production has tapered off in recent months. The National Biodiesel Board, the industry trade association, is projecting that production in 2012 will reach only 1.0 billion gallons, less than was produced in 2011. Reinstatement of the biodiesel tax credit combined with expanded use of biodiesel consistent with the Advanced Biofuels targets provided for under the federal Renewable Fuels Standard (RFS2), will support additional jobs in all sectors of the economy, increase value added output measured by GDP, and generate additional household income for all Americans.

Since its enactment in 2004, the unique structure of the \$1.00 per gallon biodiesel tax incentive has played an important role in the fuels marketplace. Specifically, the incentive's structure as a blenders excise tax credit allowed the credit's value to be reflected in the market price of the fuel. When combined with the RIN<sup>1</sup> credit values for biodiesel established by the marketplace, the tax credit makes biodiesel prices competitive with petroleum diesel fuel and reduces fuel costs for consumers. This is illustrated in Table 1 which compares the price of biodiesel (FOB, Iowa plant) with the price of No. 2 diesel (refiner sales, Iowa) for 2011 and 2012 (Jan-Oct).

<sup>1</sup> Renewable Identification Number under the Renewable Fuels Program.

Table 1  
Biodiesel and Diesel Prices, Iowa

	2011	2012
#2 Diesel, Refiner Sales Iowa <sup>2</sup>	\$3.07	\$3.10
Biodiesel FOB Iowa plant <sup>3</sup>	\$5.17	\$4.55
Biodiesel RIN <sup>4</sup>	\$1.18	\$1.27
Biodiesel less RIN	\$3.99	\$3.28
Biodiesel Tax Credit	\$1.00	NA
Net Biodiesel	\$2.99	\$3.28
Diff (biodiesel vs. #2 Diesel)	-\$0.08	\$0.18

As can be seen in Table 1 the combination of tax credit and RIN made biodiesel cost competitive with petroleum in 2011. With removal of the tax credit in 2012 biodiesel was again more expensive than petroleum diesel.

The biodiesel industry estimates that had the biodiesel tax credit been in place during 2012 an additional 300 million gallons of biodiesel would have been produced for a total of 1.3 billion gallons. The RFS2 requirement for bio-based biodiesel for 2013 has been announced at 1.28 billion gallons. Again, the biodiesel industry expects that if the tax credit were in place next year, biodiesel production would increase by as much as 470 million gallons to 1.75 billion gallons.<sup>5</sup>

<sup>2</sup> EIA Refiner Petroleum Product Prices by Sales Type  
[http://www.eia.gov/dnav/pet/pet\\_pri\\_refoth\\_dcu\\_SIA\\_m.htm](http://www.eia.gov/dnav/pet/pet_pri_refoth_dcu_SIA_m.htm)

<sup>3</sup> USDA Livestock & Grain Market News, National Weekly Ag Energy Round-Up, average of Jan through Oct 2012.

<sup>4</sup> FAPRI Baseline Review, 2012. <http://www.fapri.missouri.edu/baselinereview2012/> Calendar year interpolated from marketing year data. RIN values are expressed on a "wet gallon" basis. The equivalent values are \$0.78 per RIN in 2011 and \$0.85 per RIN in 2012.

<sup>5</sup> From a market perspective, biodiesel competes with other advanced biofuels. In 2012, 2.0 billion gallons of advanced biofuels are required in the U.S. marketplace and it is anticipated that 2.75 billion gallons of advanced biofuels will be required in 2013. With the tax credit in place, biodiesel will compete with imported Brazilian ethanol which has been designated an advanced biofuel by EPA. With the \$1.00 per gallon tax credit, domestic biodiesel is less expensive than imported Brazilian ethanol. As a result, obligated parties are expected to use more biodiesel than they otherwise would without the tax credit.



## **Economic Impact of the Biodiesel Tax Credit**

The biodiesel industry spent an estimated \$4.3 billion to produce one billion gallons of biodiesel in 2012. Had the biodiesel tax credit been in place and production reached 1.3 billion gallons, total spending would have totaled \$5.6 billion. Assuming the tax credit is reinstituted in 2013 and production increases to 1.75 billion gallons, industry expenditures would reach \$7.6 billion (at current prices).

Expenditures for raw materials and other inputs to manufacture biodiesel represent the purchase of output of other industries. This spending circulates throughout the entire economy several fold stimulating aggregate demand, supporting the creation of new jobs, generating household income, and providing tax revenue for government at all levels.

## **Methodology**

We estimate the impact of the biodiesel industry by applying expenditures by the relevant supplying industry to the appropriate final demand multipliers for value added output, earnings, and employment. To understand how the economy is affected by an industry such as biodiesel production it is necessary to understand the way in which different sectors or industries in the economy are linked to each other. For example, in the renewable fuels production sector, the biodiesel industry buys, among its varied feedstocks, soybean oil from the oilseed processing industry, which, in turn, then buys soybeans from the agriculture sector, which purchases crop production products and fertilizers from the agricultural chemicals industry, which in turn purchases from a range of other industries. Expenditures on other feedstocks such as other fats and oils including recycled oils and grease represent purchases of output from the waste management sector. These are referred to as backward linkages. Use by other sectors of natural gas as an input, such as in manufacturing operations, is called a forward linkage. The natural gas production and transmission industries are linked through both forward and backward linkages to other economic sector.

The household sector is linked to all sectors as it provides the labor and management needed by each. In turn, changes that affect the incomes of the household sector typically have more significant impacts compared to a change in the sales of other sectors. This is because households typically spend most of their income in both retail and service industries.

This study utilizes an economic model known as IMPLAN (Impact Analysis for Planning) to develop this understanding of the economy, including the sectors that support the biodiesel industry, the links between them, and the level of economic activity. IMPLAN is a commonly used economic input-output (I-O) model. I-O models are constructed based on the concept that all industries within an economy are linked together; the output of one industry becomes the input of another industry until all final goods and services are produced. I-O models can be used both to analyze the structure of the economy and to estimate the total economic impact of projects or policies. For this analysis, a model for the U.S. economy was constructed using 2012 IMPLAN software and data (the most recent available) and used to estimate economic impacts of the biodiesel industry.

IMPLAN models provide three economic measures that describe the economy: value added; income; and employment.

- Value added is the total value of the goods and services produced by businesses in the county and are generally referred to as GDP. It is equivalent to the sum of labor income, taxes paid by the industry, and other property income or profit.
- Labor income is the sum of employee compensation (including all payroll and benefits) and proprietor income (income for self-employed work). In the case of this analysis, demand for soybean oil to produce biodiesel supports farm income through higher crop receipts than would be the case without biodiesel production. The impact of this higher farm income is evaluated on a gross basis in this analysis. That is, the model does not factor in the distributional effects on consumers from higher soybean or soybean oil prices (i.e. reduced spending on non-food goods and services).
- Employment represents the annual average number of employees, whether full or part-time, of the businesses producing output. Income and employment represent the net economic benefits that accrue to the region as a result of increased economic output.

This analysis updates previous estimates of the economic impact of the biodiesel industry. The primary differences between these results and previous estimates stem from using current (January through October 2012) prices for inputs; more accurate estimates of feedstock composition (60 percent of biodiesel produced from soybean oil and 40 percent



from other fats and oils); and use of updated IMPLAN multipliers. In particular, the employment multipliers for the waste management industry within IMPLAN which includes the collection of other fats and oils are higher than those for the soybean processing industry. Consequently expenditures for other fats and oils result in a larger economic impact than was previously estimated.

## Results

Expansion of biodiesel production consistent with extending the biodiesel tax credit provides a stimulus to the economy in terms of expenditures for feedstocks and other inputs, goods and services required to produce biodiesel. As these expenditures circulate through the economy, they will generate valued added output (GDP) and household income, and support jobs in all sectors of the economy. The economic impacts of reinstating the biodiesel tax credit for 2013 and estimation of what would have been realized in 2012 had the tax credit been in place are summarized in Table 2.

Table 2  
Economic Impacts of Reinstating the Biodiesel Tax Credit

	2012 Actual	2012 With Tax Credit	Chang e
Production (Mil Gal)	1,000	1,300	300
Employment (Jobs)	64,044	83,258	19,213
Income (Mil 2021\$)	\$3,208	\$4,170	\$962
GDP (Mil 2012\$)	\$6,088	\$7,915	\$1,827
			(6)
	No Tax Credit	2013 With Tax Credit	Chang e
Production (Mil Gal)	1,280	1,750	470
Employment (Jobs)	81,977	112,078	30,101
Income (Mil 2021\$)	\$4,106	\$5,754	\$1,648
GDP (Mil 2012\$)	\$7,793	\$10,921	\$3,128

## Employment



Jobs are created from the economic activity supported by biodiesel production. When the direct, indirect and induced jobs supported by biodiesel production and the industries that support biodiesel such as agriculture; feedstock collection and processing; fuel distribution; and technical support, the production of biodiesel in 2012 supported more than 64,000 jobs in all sectors of the economy. Had the tax credit been in place and production reached 1.3 billion gallons, an additional 19,213 jobs would have been supported by the biodiesel industry.

Similarly, biodiesel production of 1.75 billion gallons in 2013 reflecting reinstatement of the tax credit will support more than 112,000 jobs in all sectors of the economy, 30,000 more than would be supported by just meeting the RFS2 target of 1.28 billion gallons.

### ***Income***

Economic activity and associated jobs produce income for all households. The economic activities created by biodiesel production will be \$3.2 billion in the pockets of American households in 2012. Had the tax credit been in place in 2012 and 2013 an additional \$962 million of household income would have been created in 2012 and nearly \$1.65 billion in 2013.

Biodiesel represents a relatively small share of total diesel use and although domestic consumption will grow consistent with the RFS2 targets, biodiesel share of total diesel use will remain small. Continuation of the biodiesel tax credit has a meaningful impact on consumers when the RFS2 targets are met. Consumers are not expected to experience any significant increase in expenditures for biodiesel at a five percent blend if the biodiesel tax credit is extended.

### ***Value Added Output***

The economic activity generated by the spending of biodiesel producers will expand the size of the economy. As indicated earlier, this spending represents the purchase of output of other industries. The circulation of these dollars throughout the economy is reflected in additional value added output measured by GDP. As shown in Table 2, the biodiesel industry will support \$6 billion (2012\$) of GDP in the American economy in 2012 and nearly \$7.93 billion in 2013. Had the biodiesel tax credit been in place in 2012 and 2013, the U.S. economy would be \$1.8 billion larger in 2012 and \$3.1 billion larger in 2013.

### ***National Energy Security***

Biodiesel continues to play a major role in expanding domestic refining capacity and reducing this nation's reliance on foreign oil. The 4.6 billion gallons of biodiesel produced in the U.S. since 2005 have displaced an equivalent amount of imported diesel fuel with a clean-burning, efficient fuel that the EPA estimates reduces lifecycle greenhouse gas emissions by as much as 86 percent compared to petroleum diesel fuel and creates 5.5 units of energy for every unit of energy that is required to produce the fuel. The U.S. imported 820 million gallons of diesel fuel (15 ppm and under Sulfur) during the first eight months of 2012 and is on track to import nearly 1.2 billion gallons for the full year.<sup>6</sup>

### **Conclusion**

Had the biodiesel tax credit been in place in 2012 an additional 300 million gallons of biodiesel would be produced. Reinstatement of the tax credit in 2013 will increase biodiesel production by an additional 470 million gallons. The overall economy will benefit from the activity generated by additional biodiesel output created by reinstatement of the biodiesel tax credit.

Had the tax credit been in place during 2012:

- The biodiesel industry would have supported more than 83,000 jobs throughout the entire economy, 19,200 more than without the tax credit.
- \$4.4 billion of household income would have been generated, \$962 million more than without the credit.
- The economy measured by GDP would have been \$1.8 billion larger than otherwise

Reinstatement of the tax credit for 2013:

- Will support more than 112,000 jobs in all sectors of the economy, 30,000 more than would be supported by just meeting the RFS2 target of 1.28 billion gallons.

<sup>6</sup> EIA U.S. Imports of Petroleum and Other Liquids  
[http://www.eia.gov/dnav/pet/pet\\_move\\_impcus\\_a2\\_nus\\_EPDXL0\\_im0\\_mbb1\\_m.htm](http://www.eia.gov/dnav/pet/pet_move_impcus_a2_nus_EPDXL0_im0_mbb1_m.htm)

- \$5.8 billion of household income will be generated, \$1,6 billion more than without the tax credit, and
- Value-added output will increase an additional \$3.1 billion for a total contribution of nearly \$11 billion to aggregate GDP.



To: Paul Argyropoulos/DC/USEPA/US@EPA[]  
From: (b) (6)  
Sent: Wed 1/2/2013 7:21:34 PM  
Subject: Back at work?  
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(b) (6)

Michael McAdams | Holland & Knight  
Sr Policy Advisor  
800 17th Street, NW Suite 1100 | Washington DC 20006  
Phone (b) (6) | Fax (b) (6)  
(b) (6) | [www.hklaw.com](http://www.hklaw.com)

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To: Byron Bunker/AA/USEPA/US@EPA;Christopher Grundler/AA/USEPA/US@EPA[];  
Christopher (b) (6) EPA;Robert Barton (b) (6) Robert  
Barton (b) (6) Paul Argyropoulos/DC/USEPA/US@EPA;Anne Steckel  
(b) (6) Anne Steckel (b) (6)  
From: Larry Schafer  
Sent: Wed 1/2/2013 7:53:31 PM  
Subject: Follow up on Invitation to Attend NBB Annual Conference  
MAIL\_RECEIVED: Wed 1/2/2013 7:53:38 PM  
[Bunker.Byron@epamail.epa.gov](mailto:Bunker.Byron@epamail.epa.gov)  
(b) (6)  
(b) (6)  
(b) (6)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

Chris and Byron:

Just reminding you of the NBB Annual Conference in Las Vegas on Feb 5, 6 and 7 ...

The Panel Discussion as described below will be held on Wednesday, Feb 6th ...

Separately, Chris – we (Joe Jobe) would like to introduce you to our Membership – as the New Director of OTAG -- as part of our General Session on Tuesday February 5 between 10:30 and Noon

Please confirm your attendance -- if you need to discuss then please let me know so I we can arrange a call.

Thank you.

=====

Original Email Sent on October 26, 2012 ...

From: Larry Schafer  
Sent: Friday, October 26, 2012 4:30 PM  
To: Christopher Grundler; Byron Bunker (b) (6) Robert Barton  
Cc: Paul Argyropoulos (argyropou(b) (6) (b) (6)  
Subject: Invitation to Speak and Present at the National Biodiesel Board Annual Conference in Las Vegas on February 5-7

Christopher, Byron and Robert:

The NBB is planning a panel presentation at its upcoming National Biodiesel Conference and Expo 2013 that would discuss EPA's upcoming regulatory proposal (assuming that by February, we should be well into the comment period).

We invite the three of you to participate on this panel discussion as described below:

=====

Panel: Have you been QApped? "Quality Assurance Plans" - What it means for a successful biodiesel operation.

Wednesday, February 6, 2013 @ 1:30 – 3:00 pm

Panel Description: The EPA is working on updating the RFS regulations to shore up the validity of RINs and prevent fraud. How is that process shaping up, and what will it mean for the biodiesel industry and our partners in the petroleum sector?

TENTATIVE PANEL: NBB Senior Advisor Larry Schafer moderating with Christopher Grundler - Acting Director, EPA Office of Transportation and Air Quality, EPA; Byron Bunker - Acting Director, EPA Office of Compliance and Innovative Strategies; and Robert Barton - Chief Operating Officer, Genscape.

=====

Would you be kind enough to join us?



Please let me know.

Christopher – I will be sending you a separate email invite to participate on a “General Session Panel” as well ... which would take place on Tuesday, February 5th ...

Byron and Christopher, since you are new to NBB’s Conference and Expo – it is our annual event where approximately 1500 biodiesel producers, distributors, obligated party’s marketers and others convene each year to buy and sell biodiesel and to get updated on all things biodiesel. It is a great event.

We would be honored to have you join us.

Thank you.

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Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

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Suite 505

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To: (b) (6) (b) (6)  
(b) (6) Gene Gebolys (b) (6)  
(b) (6) (b) (6) (b) (6)  
Cc: Anne Steckel (b) (6)  
From: Larry Schafer  
Sent: Wed 1/2/2013 9:33:00 PM  
Subject: Invitation to Speak at the National Biodiesel Conference and Expo on Thursday, February 7 ...  
MAIL RECEIVED: Wed 1/2/2013 9:33:09 PM  
<http://www.biodieselconference.org/2013/?AspxAutoDetectCookieSupport=1>  
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Paul, Gene and Alan:

It is that time of year again (NBB Conference Time!)

This year the NBB is hosting its annual conference at The Mirage Resort and Casino in Las Vegas (not during the Super Bowl!)

We are hosting a panel entitled: The Future of the Renewable Fuels Standard

Historically, you have participated in many discussions with the NBB and we appreciate your insights and points of view related to the RFS and the Biomass-based Diesel Program. We would like you to join us once again to highlight a discussion on the RFS and Biomass-based Diesel.

Outline of Discussion and Topics:

Paul Argyropoulos: Discussion and Overview of the RFS and EPA's view of what may likely happen in 2013 (25- 30 min.) (RIN Issues will be discussed on different panel)

Gene Gebolys: NBB's Working Group on Biomass-based Diesel and planning for 2014 (15 – 20 min.)



Alan Weber: Feedstock Insights on Biomass-based Diesel and planning for 2014 (15 – 20 min.)

Q/A – 20 minutes.

I will moderate the panel.

The NBB Conference is February 5, 6 and 7.

This panel is planned as follows:

Title: The Future of the Renewable Fuel Standard

Date: Thursday, February 7, 2013

Time: 8:30 – 10:00 am

Location: The Mirage Resort and Casino in Las Vegas

Conference Website: <http://www.biodieselconference.org/2013/?AspxAutoDetectCookieSupport=1>

Please let me know if you would be interested in joining us on the panel.

Thank you.

-----  
Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

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Suite 505

Washington DC 20004

To: Larry Schafer (b) (6)  
Cc: Anne Steckel (b) (6) N=Christopher Grundler/OU=AA/O=USEPA/C=US@EPA;CN=Mary (b) (6)  
(b) (6)  
(b) (6)  
(b) (6)  
(b) (6) Robert Barton (b) (6) Robert Barton  
(b) (6)  
From: CN=Byron Bunker/OU=AA/O=USEPA/C=US  
Sent: Thur 1/3/2013 2:47:44 PM  
Subject: Re: Follow up on Invitation to Attend NBB Annual Conference  
MAIL RECEIVED: Thur 1/3/2013 2:47:40 PM

(b) (6)  
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[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

Hi Larry,

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We should get together in the next week or two to discuss the panel and how you would like for it to work. A little planning up front is sure to make it a success.

Thanks,

Byron

\*\*\*\*\*

Byron Bunker  
Division Director  
Compliance Division  
Office of Transportation and Air Quality  
US Environmental Protection Agency  
2000 Traverwood Drive  
Ann Arbor, MI 48105

(b) (6)  
(b) (6) (fax)  
(b) (6) (cell)  
e-mail: (b) (6)

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From: Larry Schafer <(b) (6)>  
To: Byron Bunker/AA/USEPA/US@EPA, Christopher Grundler/AA/USEPA/US@EPA  
Cc: Mary Manners/AA/USEPA/US@EPA, Robert Barton <(b) (6)> Paul  
Argyropoulos/DC/USEPA/US@EPA, Anne Steckel <(b) (6)>  
Date: 01/02/2013 02:53 PM  
Subject: Follow up on Invitation to Attend NBB Annual Conference



Chris and Byron:

Just reminding you of the NBB Annual Conference in Las Vegas on Feb 5, 6 and 7 ...

The Panel Discussion as described below will be held on Wednesday, Feb 6th ...

Separately, Chris – we (Joe Jobe) would like to introduce you to our Membership – as the New Director of OTAG -- as part of our General Session on Tuesday February 5 between 10:30 and Noon

Please confirm your attendance -- if you need to discuss then please let me know so I we can arrange a call.

Thank you.

=====  
Original Email Sent on October 26, 2012 ...

From: Larry Schafer  
Sent: Friday, October 26, 2012 4:30 PM  
To: Christopher Grundler; Byron Bunker (b) (6) Robert Barton  
Cc: Paul Argyropoulos (b) (6) (b) (6)  
Subject: Invitation to Speak and Present at the National Biodiesel Board Annual Conference in Las Vegas on February 5-7

Christopher, Byron and Robert:

The NBB is planning a panel presentation at its upcoming National Biodiesel Conference and Expo 2013 that would discuss EPA's upcoming regulatory proposal (assuming that by February, we should be well into the comment period).

We invite the three of you to participate on this panel discussion as described below:

=====  
Panel: Have you been QAPped? "Quality Assurance Plans" - What it means for a successful biodiesel operation.

Wednesday, February 6, 2013 @ 1:30 – 3:00 pm

Panel Description: The EPA is working on updating the RFS regulations to shore up the validity of RINs and prevent fraud. How is that process shaping up, and what will it mean for the biodiesel industry and our partners in the petroleum sector?

TENTATIVE PANEL: NBB Senior Advisor Larry Schafer moderating with Christopher Grundler - Acting Director, EPA Office of Transportation and Air Quality, EPA; Byron Bunker - Acting Director, EPA Office of Compliance and Innovative Strategies; and Robert Barton - Chief Operating Officer, Genscape.

=====

Would you be kind enough to join us?

Please let me know.

Christopher – I will be sending you a separate email invite to participate on a “General Session Panel” as well ... which would take place on Tuesday, February 5th ...

Byron and Christopher, since you are new to NBB’s Conference and Expo – it is our annual event where approximately 1500 biodiesel producers, distributors, obligated party’s marketers and others convene each year to buy and sell biodiesel and to get updated on all things biodiesel. It is a great event.

We would be honored to have you join us.

Thank you.

-----  
Larry Schafer  
National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

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Suite 505  
Washington DC 20004

To: Byron Bunker/AA/USEPA/US@EPA[]  
Cc: Paul Argyropoulos/DC/USEPA/US@EPA; Robert Barton (b) (6) obert  
Barton (b) (6) ary Manners/AA/USEPA/US@EPA; Christopher  
Grundler/AA/USEPA/US@EPA; Anne Steckel (b) (6) hristopher  
Grundler/AA/USEPA/US@EPA; Anne Steckel (b) (6) nne Steckel  
(b) (6) arry Schafer (b) (6)  
From: (b) (6)  
Sent: Thur 1/3/2013 3:36:04 PM  
Subject: Re: Follow up on Invitation to Attend NBB Annual Conference  
MAIL\_RECEIVED: Thur 1/3/2013 3:36:07 PM  
[Bunker.Byron@epamail.epa.gov](mailto:Bunker.Byron@epamail.epa.gov)

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[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

Byron

Thank you. Yes we will coordinate before hand ...

I will reserve a govt rate room for you for Tuesday and Wed night.

Thanks.

=====  
Larry Schafer

The Diamond Group

(b) (6)

National Biodiesel Board

(b) (6)

T: (b) (6)

O: (b) (6)

=====  
On Jan 3, 2013 9:47 AM, <(b) (6)> wrote:  
Hi Larry,

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Byron

\*\*\*\*\*

Byron Bunker  
Division Director  
Compliance Division  
Office of Transportation and Air Quality  
US Environmental Protection Agency  
2000 Traverwood Drive  
Ann Arbor, MI 48105

(b) (6)  
(b) (6) (fax)  
(734) (b) (6) (cell)  
e-mail: (b) (6)

\*\*\*\*\*

From: Larry Schafer <(b) (6)>  
To: Byron Bunker/AA/USEPA/US@EPA, Christopher Grundler/AA/USEPA/US@EPA  
Cc: Mary Manners/AA/USEPA/US@EPA, Robert Barton <(b) (6)> Paul  
Argyropoulos/DC/USEPA/US@EPA, Anne Steckel <(b) (6)>  
Date: 01/02/2013 02:53 PM  
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Sent: Friday, October 26, 2012 4:30 PM  
To: Christopher Grundler; Byron Bunker (b) (6) Robert Barton  
Cc: Paul Argyropoulos (b) (6) (b) (6)  
Subject: Invitation to Speak and Present at the National Biodiesel Board Annual Conference in Las Vegas on February 5-7

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The NBB is planning a panel presentation at its upcoming National Biodiesel Conference and Expo 2013 that would discuss EPA's upcoming regulatory proposal (assuming that by February, we should be well into the comment period).

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We would be honored to have you join us.

Thank you.

-----  
Larry Schafer  
National Biodiesel Board  
O: (b) (6)  
M: (b) (6)  
(b) (6)

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To: Larry Schafer (b) (6) aul  
Argyropoulos/DC/USEPA/US@EPA;" (b) (6) (b) (6) ;  
(b) (6) (b) (6)  
Cc: Anne Steckel (b) (6)  
From: Gene Gebolys  
Sent: Mon 1/7/2013 2:43:08 PM  
Subject: RE: Invitation to Speak at the National Biodiesel Conference and Expo on Thursday, February 7 ...  
MAIL\_RECEIVED: Mon 1/7/2013 2:43:21 PM  
[www.worldenergy.net](http://www.worldenergy.net)  
<http://www.biodieselconference.org/2013/?AspxAutoDetectCookieSupport=1>  
(b) (6)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

Larry:

Count me in.

Thanks, Gene

Gene Gebolys

President | CEO

WORLD ENERGY

(b) (6)

Main (b) (6)

Direct (b) (6)

Mobile (b) (6)

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From: Larry Schafer [mailto:(b) (6)]  
Sent: Wednesday, January 02, 2013 4:33 PM  
To: Paul Argyropoulos (b) (6); Gene Gebolys; (b) (6)  
Cc: Anne Steckel  
Subject: Invitation to Speak at the National Biodiesel Conference and Expo on Thursday, February 7 ...

Paul, Gene and Alan:

It is that time of year again (NBB Conference Time!)

This year the NBB is hosting its annual conference at The Mirage Resort and Casino in Las Vegas (not during the Super Bowl!)

We are hosting a panel entitled: The Future of the Renewable Fuels Standard

Historically, you have participated in many discussions with the NBB and we appreciate your insights and points of view related to the RFS and the Biomass-based Diesel Program. We would like you to join us once again to highlight a discussion on the RFS and Biomass-based Diesel.

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Thank you.

---

Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

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To: (b) (6)

MAIL\_RECEIVED: Wed 1/9/2013 11:34:15 AM  
[Biodiesel Production Estimates \(NBB and Feds\) 2006 to 2012.xlsx](#)

FYI ...

Under all three tracking scenarios ... the industry will likely produce more than 1.0 billion gallons this year  
...

-----  
Larry Schafer  
National Biodiesel Board  
O: (b) (6)  
M: (b) (6)  
(b) (6)  
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Washington DC 20004

-----Original Message-----

From: J. Alan Weber [mailto:(b) (6)]  
Sent: Monday, January 07, 2013 10:52 AM  
To: Larry Schafer; April Yaeger  
Cc: Joe Jobe  
Subject: comparison of EMTS, NBB, EIA 22M data - NBB 2012 data revised

To: (b) (6)  
From: "Brent Erickson"  
Sent: Thur 1/10/2013 6:49:50 PM  
Subject: Nominations for the 2013 George Washington Carver Award  
MAIL\_RECEIVED: Thur 1/10/2013 6:55:05 PM  
[BIO World Congress on Industrial Biotechnology](#)  
(b) (6)  
[Click here to submit your nomination](#)  
[World Congress 2013](#)  
(b) (6)  
[click here](#)  
[Unsubscribe](#)

Dear Paul,

First, I'd like to send best wishes for the new year from the staff at the Biotechnology Industry Organization (BIO). 2013 marks the 10th anniversary of the BIO World Congress on Industrial Biotechnology where the accomplishments of our industry will be highlighted at the conference this June 16-19, 2013 in Montreal, Canada.

The George Washington Carver Award for Innovation in Industrial Biotechnology is presented annually at the conference to an individual who has worked towards using industrial biotechnology innovation to develop sustainable bio-based value-chains.

George Washington Carver pioneered the creation and commercialization of sustainable biobased products, materials and energy derived from renewable agricultural feedstocks. Today companies are using industrial biotechnology to manufacture plastics, chemicals, pharmaceuticals, and even food ingredients from renewable agricultural resources.

Past recipients of the award include Patrick Gruber, (Gevo), Greg Stephanopoulos (MIT), Charles O. Holliday, Jr (DuPont), Feike Sijbesma (DSM) and Steen Riisgaard (Novozymes).

BIO is now accepting nominations for the 2013 recipient of the George Washington Carver Award. To submit a nomination, please click on the link below and e-mail the completed form to (b) (6) by February 28, 2013.

[Click here to submit your nomination](#)

Warm regards,

Brent Erickson  
Executive Vice President  
Industrial and Environmental Section  
Biotechnology Industry Organization

Biotechnology Industry Organization  
1201 Maryland Avenue, SW  
Suite 900  
Washington, DC 20024

(b) (6) (p)

(b) (6) (f)

This message was intended for: (b) (6)  
You were added to the system January 30, 2009. For more information  
click [here](#).  
[Unsubscribe](#)

To: (b) (6)

(b) (6)

From: Larry Schafer

Sent: Fri 1/11/2013 6:14:12 PM

Subject: FYI -- From Inside EPA

MAIL\_RECEIVED: Fri 1/11/2013 6:14:21 PM

[Hotspot](#)

[Picture \(Device Independent Bitmap\) 1.jpg](#)

A special report on the environmental legislative, regulatory and litigation outlook for 2013

#### Senate's Support For Biofuels Signals Hurdle To RFS Critics' Repeal Push

The Senate's recent votes in support of military biofuels initiatives underscores the upper chamber's support for alternative fuels programs that could pose a major hurdle to oil industry calls for repeal of EPA's renewable fuel standard (RFS), with at least two key biofuels proponents set to join the 113th Congress' Democratic majority.

Even with almost two-thirds of the Senate on record supporting some measure of programs to incentivize biofuels, RFS supporters who want to see legislative fixes to the program -- such as modifying it to promote advanced fuels -- say they will avoid any push for a bill due to the calls for repeal. RFS advocates fear that any legislation to make changes to the program would immediately become a vehicle for the program's critics to move repeal provisions.

Instead, RFS proponents will largely focus on pushing EPA for regulatory reform to the standard or seeking smaller "piece meal" legislation on specific biofuels goals. That position, coupled with leading House GOP lawmakers' comments that a major energy bill is unlikely in 2013, may imperil the push for RFS repeal.

Oil industry officials, some Republicans and others claim that fraud in the RFS' credit market; unachievable cellulosic ethanol mandates; and other problems warrant an outright repeal of the program.

RFS repeal legislation would need to clear the House Energy & Commerce Committee's power subcommittee chaired by Ed Whitfield (R-KY). But the lawmaker said Nov. 15, "I don't think that there's going to be any effort to roll back the renewable fuel standard." Even if a measure to overhaul or entirely repeal the fuels program were to clear the House, the Senate's military biofuels vote shows the barriers to clearing both chambers.

The Senate on Nov. 28 voted 62-37 to strip out a Republican-backed amendment to the National Defense Authorization Act (NDAA) that would hinder the military's ability to purchase and invest in biofuels as part of a robust effort lead by the Navy to advance biofuel use in the military as an energy security imperative.

Renewable fuel backers were emboldened by the victory as they lobbied the House to remove similar language in its version of the NDAA that would also limit military purchases of biofuels. Several renewable fuel trade groups chose to use the vote to tamp down criticism of the RFS program that arose after EPA's Nov. 16 rejection of state petitions seeking to waive the program's ethanol requirements due to the high



cost of corn resulting from the drought. The petitioners, backed by the livestock industry, argued that demand for corn for ethanol production placed upward pressure on grain prices during last summer's drought when corn and grain prices were skyrocketing.

American Fuels and Petrochemical Manufacturers President Charles Drevna called the vote "outrageous," saying it will raise military spending on costly biofuels despite a poor economy. He said the vote would create unnecessary competition for private sector refiners by allowing the military to build its own biofuels refineries.

The refining sector expected the vote, according to an industry source who says the Senate has always been regarded as a higher hurdle to overcome in attempts to redress the RFS. The source says support in the upper chamber for biofuels stems from the handful of influential lawmakers from corn growing states who remain "recalcitrant" in protecting any measure that offers incentives and subsidies for the biofuel industry.

#### Biofuels Support

The Senate's support for biofuels could grow in the 113th Congress, as Democrats in the November elections expanded their majority to 55-45 and two new Democratic senators are biofuels advocates. Sen. Martin Heinrich (D-NM) and Mazie Hirono (D-HI) are both set to join the Energy and Natural Resources Committee. Both were previously House lawmakers who introduced or sponsored legislation to promote biofuels development.

And Sen. Ron Wyden (D-OR) is slated to chair the energy panel that would consider any RFS reform or repeal legislation. The senator has previously floated bills that would revise the RFS, to eliminate what Wyden sees as a preference for ethanol, by creating a technology-neutral low carbon fuel standard (LCFS). However, while the senator has sought some changes to the RFS, it is highly unlikely he would consider a repeal push.

A source with the LCFS Project -- a coalition of academic and research institutions examining the benefits of an LCFS -- had previously hoped an LCFS could gain traction in Congress as an alternative to the RFS, but is now less optimistic about debating broad federal changes to transportation fuels policy in the next Congress.

Nevertheless, the New York University School of Law policy think tank Institute for Policy Integrity notified EPA Nov. 28 that it intends to sue the agency in federal appeals court if the agency fails to respond to a 2010 petition seeking a national LCFS -- a program the group says would be a much more efficient way to significantly reduce greenhouse gas emissions from the sector than EPA's existing approach with the RFS's GHG reduction goals.

Advanced biofuel industry consultants acknowledge shortfalls in the RFS' cellulosic ethanol mandate, which has been lowered in recent consecutive years due to a lack of production facilities. The oil industry argues that the industry should not have to pay millions of dollars in RFS compliance credits in order to meet the standard for a fuel that does not exist, and has sued EPA for having to comply with the 2012 cellulosic mandate. There is a need to address the increasing difficulty in meeting the RFS' final 36 billion gallon biofuel target in 2022, the sources say.

A fall brief issued by Ethanol Across America, a campaign launched by the pro-biofuels Clean Fuels Coalition, underscores the problems with the RFS. Although the "growing backlash" against the RFS' cellulosic mandate and other requirements "could ultimately unravel" the RFS, keeping the program "in place, as is, will have serious negative consequences," the brief explains. "Because of the lack of available cellulosic biofuels, U.S. refiners can make a strong argument that they are being forced to buy something that does not exist; and, therefore, the requirement should be eliminated. . . . It is simply wrong to mandate implementation of RFS2 [the 2007 energy law's modified program that includes the cellulosic requirements] via the use of unknown or unproven technology."

The brief says the growing problems with producing cellulosic ethanol to meet the RFS could also hurt the development of non-cellulosic advanced biofuels, which "is contributing to stunted growth."

Biofuel industry consultants say one RFS change that would resolve the impasse over cellulosic ethanol is to end

the cellulosic mandate altogether, and allow it to be subsumed by the RFS' advanced biofuel category. The one advanced biofuel category would include any biofuel that can reduce greenhouse gases by 50 percent compared to gasoline. Advanced biofuels, other than cellulosic ethanol, that are already at commercial scale would help meet the mandate while more advanced forms such as cellulosic ethanol are developed and commercialized.

The fix, however, is too risky to implement in the new Congress because it could make the RFS vulnerable to attack by API and others seeking to use legislation to modify the RFS as a vehicle for outright repeal.

Still, the refinery industry source says that as the RFS' problems -- including credit fraud and the failure of cellulosic ethanol producers to meet production targets -- could ultimately create enough support for reform or repeal. The source cites as proof of Senate interest in renewable fuel policy reforms the Senate's vote in 2011 to end import protections for corn ethanol along with the ethanol blending subsidy -- the volumetric ethanol excise tax. The source says "the reasons for a fix" will eventually outweigh the political desire to avoid RFS changes, but notes that might take many months.

#### EPA Fixes

Given the apparent impasse in the Senate over renewable fuels legislation, any changes the biofuels sector will seek for the RFS in 2013 are likely to focus on what EPA could fix through regulation, sources say. Possible measures to achieve those goals include the agency's pending "Tier III" fuel and engine emissions rules.

The automakers and the biofuels community have raised concerns about possible adverse impacts in meeting fuel economy standards for 2017-2025 model year vehicles in tandem with new tighter Tier III gasoline sulfur limits. Automakers say that tightening sulfur levels in gasoline would increase particulate matter emissions from vehicles with engine and fuel injection specifications needed to meet the new fuel economy standards.

The biofuel community says one possible solution to the problem would be to use higher blends of ethanol in the vehicles to both reduce the level of sulfur in gasoline and eliminate the soot problems. Renewable fuel proponents say higher biofuel blends would resolve the soot issue, especially in high compression engines that the automakers are already building to meet upcoming fuel economy standards. The new car engines will need higher octane fuels that can easily be derived from both conventional and cellulosic ethanol at an affordable cost.

The sources say cars that can run on higher blends of ethanol would also help meet the RFS' 36 billion gallon mandate by creating a larger market for the fuels above the currently available 10-percent blends (E10), to include blends up to E20 and E30. Ford has already started marketing its latest line of Eco Boost engines as certified to run on E15, a blend that the agency approved last year for use in a limited number of model year vehicles.

The biofuel proponents say they will work with the White House Office of Management and Budget (OMB) in the coming year to discuss ways to resolve the soot concerns through prescriptive changes in the Tier III rules. OMB officials have told the sources that the White House is interested in hearing from industry on fuel economy concerns, and the interrelationship between fuel economy standards, the RFS and the pending gasoline rules.

The sources say Tier III regulations could be used to alter the emissions test fuel EPA uses in order to better reflect the ethanol levels that are currently available to consumers, such as E10 blends or higher. Currently, EPA uses a zero-percent ethanol blend to establish baseline emissions in vehicles, which the sources argue provides an inaccurate measure when judging the performance of newer fuel efficient vehicles, and could undermine the automakers attempts to build more efficient engines to meet the 2017 rules. Newer vehicle engines will perform better on fuels with higher octane levels, such as gasoline blended with ethanol, sources say. -- John Siciliano



To: Paul Argyropoulos/DC/USEPA/US@EPA[]  
From: (b) (6)  
Sent: Mon 1/14/2013 6:31:36 PM  
Subject: FW: Two documents....  
MAIL\_RECEIVED: Mon 1/14/2013 6:33:39 PM  
(b) (6)  
[www.hklaw.com](http://www.hklaw.com)  
[Add to address book](#)  
[View professional biography](#)

Paul: Here are the two documents posted publically on the OMB web site.

Michael McAdams | Holland & Knight  
Sr Policy Advisor  
800 17th Street, NW Suite 1100 | Washington DC 20006  
Phone (b) (6) | Fax (b) (6)  
(b) (6) | [www.hklaw.com](http://www.hklaw.com)

---

[Add to address book](#) | [View professional biography](#)

From: Rachel Gantz [mailto:(b) (6)]  
Sent: Monday, January 14, 2013 1:28 PM  
To: McAdams, Michael J (WAS - X75140)  
Subject: Two documents....

[http://www.whitehouse.gov/sites/default/files/omb/assets/oira\\_2060/2060\\_01042013-1.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/oira_2060/2060_01042013-1.pdf)

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To: Larry Schafer [(b) (6)] aul  
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[(b) (6)] [(b) (6)]  
Cc: Anne Steckel [(b) (6)]  
From: Gene Gebolys  
Sent: Tue 1/15/2013 9:54:05 PM  
Subject: RE: Invitation to Speak at the National Biodiesel Conference and Expo on Thursday, February 7 ...  
MAIL\_RECEIVED: Tue 1/15/2013 9:54:14 PM  
<http://www.biodieselconference.org/2013/?AspxAutoDetectCookieSupport=1>  
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[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

Larry

I understand this may now be moved to Wed 3:15 to 4:30. Is that correct?

Thanks, gene

From: Larry Schafer [mailto:[(b) (6)]]  
Sent: Wednesday, January 02, 2013 4:33 PM  
To: Paul Argyropoulos [(b) (6)] Gene Gebolys; [(b) (6)]  
Cc: Anne Steckel  
Subject: Invitation to Speak at the National Biodiesel Conference and Expo on Thursday, February 7 ...

Paul, Gene and Alan:

It is that time of year again (NBB Conference Time!)

This year the NBB is hosting its annual conference at The Mirage Resort and Casino in Las Vegas (not during the Super Bowl!)

We are hosting a panel entitled: The Future of the Renewable Fuels Standard

Historically, you have participated in many discussions with the NBB and we appreciate your insights and points of view related to the RFS and the Biomass-based Diesel Program. We would like you to join us once again to highlight a discussion on the RFS and Biomass-based Diesel.

Outline of Discussion and Topics:

Paul Argyropoulos: Discussion and Overview of the RFS and EPA's view of what may likely happen in 2013 (25- 30 min.) (RIN Issues will be discussed on different panel)

Gene Gebolys: NBB's Working Group on Biomass-based Diesel and planning for 2014 (15 – 20 min.)

Alan Weber: Feedstock Insights on Biomass-based Diesel and planning for 2014 (15 – 20 min.)

Q/A – 20 minutes.

I will moderate the panel.

The NBB Conference is February 5, 6 and 7.

This panel is planned as follows:

Title:	The Future of the Renewable Fuel Standard
Date:	Thursday, February 7, 2013
Time:	8:30 – 10:00 am
Location:	The Mirage Resort and Casino in Las Vegas

Conference Website: <http://www.biodieselconference.org/2013/?AspxAutoDetectCookieSupport=1>

Please let me know if you would be interested in joining us on the panel.

Thank you.

-----  
Larry Schafer

National Biodiesel Board

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To: (b) (6)  
From: Brooke Coleman  
Sent: Wed 1/16/2013 4:24:59 PM  
Subject: FW: ZeaChem/wood  
MAIL\_RECEIVED: Wed 1/16/2013 4:25:08 PM  
[Wood Pathway Overview ZeaChem 010313 v2.docx](#)

Fyi.

-----Original Message-----

From: Brooke Coleman  
Sent: Wednesday, January 16, 2013 11:24 AM  
To: (b) (6)  
Cc: (b) (6)  
Subject: RE: ZeaChem/wood

Thanks for the quick reply and suggestion. I think maybe as a primer I will send along the memo. It is attached and details (high level) ZeaChem's state of mind on the issue.

-----Original Message-----

From: (b) (6) [mailto:(b) (6)]  
Sent: Tuesday, January 15, 2013 8:00 PM  
To: Brooke Coleman  
Cc: (b) (6)  
Subject: Re: ZeaChem/wood

Hi Brooke,

I suggest you give Karl Simon a call on where we stand and what the outlook is. I have not been briefed on this yet as our team is still working with USDA on the issue. As you know it is challenging

---

Christopher Grundler  
Director  
Office of Transportation and Air Quality  
(b) (6) (Washington)  
(b) (6) (Ann Arbor)

-----Brooke Coleman <(b) (6)> wrote: -----

=====

To: (b) (6)  
From: Brooke Coleman <(b) (6)>  
Date: 01/15/2013 10:26AM  
Subject: ZeaChem/wood

=====

Hey Chris,

Hope this email finds you well. Now that you are probably adequately drowning in RFS administration (if not everything else), I wanted to pick up where we left off on wood pathways and ZeaChem. ZeaChem is



the company we discussed that has been working with EPA since early 2010 on a wood pathway (with nothing to show for it yet, and pressing financing deadlines). They have prepared a short memo covering the issue that I think would be a good starting point. I can connect you with them directly. Please let me know how you would like to proceed on this. Happy to forward the memo if you would like. Thanks, -Brooke

R. Brooke Coleman  
Executive Director  
Advanced Ethanol Council (AEC)  
[www.AdvancedEthanol.org](http://www.advancedethanol.org/)<<http://www.advancedethanol.org/>>  
(b) (6) (m)

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(b) (6) Gene Gebolys (b) (6)  
(b) (6) (b) (6) (b) (6)  
Cc: Anne Steckel (b) (6) Larry Schafer (b) (6)  
From: Larry Schafer  
Sent: Wed 1/16/2013 4:27:27 PM  
Subject: Schedule Change for your panel at the NBB Annual Conference ... (moved from Thursday morning to Wednesday afternoon)  
MAIL RECEIVED: Wed 1/16/2013 4:27:35 PM  
(b) (6)  
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Paul, Gene and Alan:

We are in the final stages of confirming USDA Secretary Tom Vilsack for the NBB Conference. Now, it appears he will be joining us on Thursday morning, arriving around 9am at the Mirage and he will be speaking to a newly created General Session at 10:00 am.

Formerly at that time we had scheduled the panel on which we were all scheduled to be a part of ... so we need to move it.

As of today we will move Session 21 as listed below to Session 19 on Wednesday afternoon, February 6, and start at 3:15pm

New Date: Wednesday, February 6

New Time: 3:15 – 4:45 pm

Session 19 (formerly Session 21) | The Future of the RFS and Growth in the U.S. Biodiesel Industry

With the 2013 Renewable Fuel Standard volume decision behind us, what should we expect in the coming years under the RFS? What level of sustainable growth can our industry achieve, and what volume increases can we expect to see under the RFS? We'll explore these critical areas.

Moderator: Larry Schafer, The National Biodiesel Board, Senior Advisor

Presenters: Paul Argyropoulos: U.S. Environmental Protection Agency, Office of Transportation and Air Quality;  
Gene Gebolys, World Energy Alternatives; and Alan Weber, Mark IV Consulting

Paul ... we have rooms reserved for you on Tuesday and Wednesday nights (at the gov't rate) ... let me know if you need any additional information ...

We will likely do a planning call next week.

Thank you.

---

Larry Schafer

National Biodiesel Board

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**From:** "BIO World Congress"  
**Sent:** Thur 1/17/2013 7:50:45 PM  
**Subject:** Biofuels-Biomanufacturing-Biorefineries - The 2013 Plenary Program  
**MAIL\_RECEIVED:** Thur 1/17/2013 7:56:11 PM  
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The 2013 BIO World Congress on Industrial Biotechnology Plenary Program will feature high-level takes on the industry's hottest topics. Join us June 16-19, 2013 in Montreal for this can't-miss event!

Global Outlook on Industrial Biotechnology

Lunch Plenary, Monday, June 17  
Sponsored by BioAmber

A dynamic panel with heads of industry will discuss current industrial biotech trends in their regions and policies driving business development or hindering growth in this sector.

Feeding Next Generation Biorefineries in 2013  
General Plenary, Monday, June 17  
Sponsored by Genomatica

Biotech feedstock producers and experts in the field will discuss the progress in deploying conventional and novel feedstocks around the world, and what challenges feedstock providers face as they attempt to build and expand a marketplace for biobased raw materials.

Building a Sustainable Biobased Industry  
Lunch Plenary, Tuesday, June 18  
Sponsored by Myriant

Industrial biotech innovators, global brand owners, retailers, and consumers will discuss how the industrial biotech sector can move from R&D to commercial deployment, while preserving its contribution to a more sustainable production system. Concerns around land use change, biogenic carbon and food security will be discussed, as well as ideas for how companies must engage stakeholders to understand concerns, agree on metrics to track progress, and develop to assure the biobased economy meets the high expectations it has set.

Biomanufacturing at Commercial Scale  
Breakfast Plenary, Wednesday, June 19  
Sponsored by DSM

Large scale chemical producers will discuss their experiences in commercializing renewable chemicals. Topics will encompass what steps major companies are taking to integrate biotech innovation into their platforms and what process technologies have achieved success in the commercial market thus far.

Feeling the Heat of the Biofuels Boom  
Lunch Plenary, Wednesday, June 19  
Sponsored by Novozymes

Advanced biofuels producers, government officials, and biofuels customers will discuss significant policy challenges and mounting political pressure against the industry. Topics will cover the shift in public opinion on the potential for biofuels as a viable petroleum alternative, cap ex hurdles, regulatory burdens, and how the biofuels industry plans to overcome these obstacles in 2013.

[Click here to view the full schedule of events](#)

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[See the list of 2012 attending organizations](#)

#### Book Housing

BIO has partnered with Travel Planners to secure the lowest rates at three hotels conveniently located near the Palais des congrès de Montréal for World Congress participants.

Delta Centre-Ville  
Embassy Suites Montréal  
Le Westin Montréal

[View a hotel map and make a hotel reservation](#)

#### Clean Tech Investor Sessions

Entering their fourth year, emerging industrial biotechnology companies will present their new technologies, accomplishments, value propositions and business case to an elite group of investors at the Clean Tech Investor Sessions.

Innovative industrial biotechnology companies will be selected to participate in this program based on the following criteria:

Breakthrough clean technologies  
Bio-based consumer product strategies  
Extensive intellectual property coverage  
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#### Call for Posters

The BIO World Congress Poster Session provides you with opportunity to generate attention and enthusiasm for your work and you can also save hundreds of dollars on registration fees with our poster presenter discount. Posters will be prominently featured in the Exhibit Hall for the duration of the conference and during the Poster Session Reception will be held on Tuesday, June 18.

[Click here to submit your abstract by March 1](#)

#### Reserve Exhibit Space

Exhibiting at BIO World Congress enables you to reach key decision makers, networking globally and brand your organization as an industry leader.

With over 50% of the exhibit space sold, we encourage you to book today!

[View the exhibitor packages and the Exhibit Hall floor plan.](#)

Space is limited and available on a first-come, first-served basis.

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From: "BIO Newsletter"  
Sent: Thur 1/17/2013 8:02:28 PM  
Subject: BIO Newsletter: January 17, 2013  
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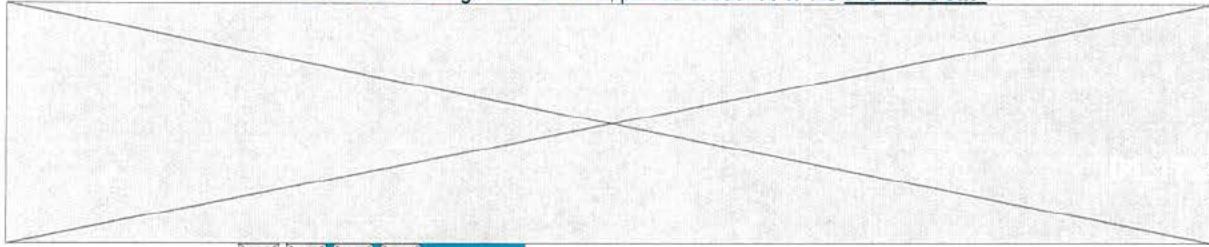
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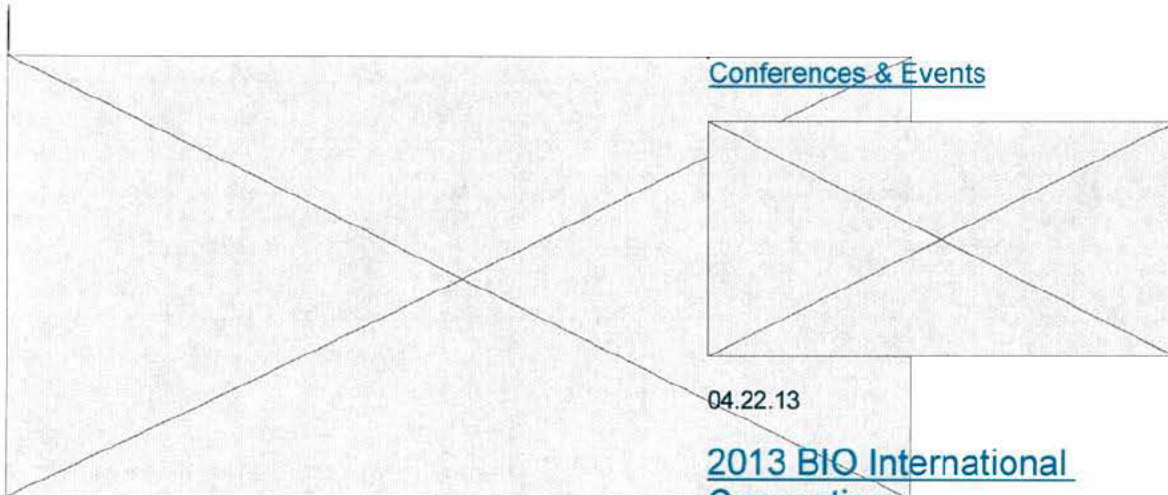
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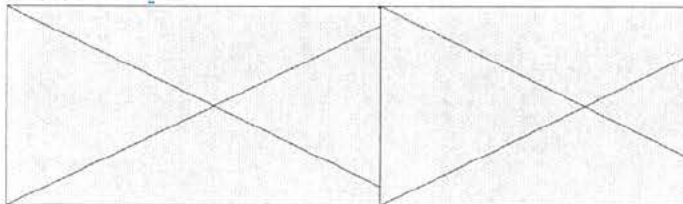
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Lack of adequate funding is one of the biggest risks to future success in biomedical innovation. [ow.ly/gHG29](#)

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This message was intended for: **(b) (6)**  
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[Update your preferences](#) | [Unsubscribe](#)

To: (b) (6)  
From: Larry Schafer  
Sent: Thur 1/24/2013 12:58:55 PM  
Subject: RE: Are we still on for tomorrow at 2 pm?  
MAIL\_RECEIVED: Thur 1/24/2013 12:59:02 PM

Do you have a call in number set up ... I would like NBB's technical director who is located in MO to participate ...

If you don't have one ... then I can set one up ...

Please let me know ...

Thanks

-----  
Larry Schafer  
National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

-----  
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Suite 505  
Washington DC 20004

-----Original Message-----

From: (b) (6) [mailto:(b) (6)]  
Sent: Wednesday, January 23, 2013 4:45 PM  
To: larryschafer18  
Subject: Re: Are we still on for tomorrow at 2 pm?

Yup  
Paul N. Argyropoulos  
Senior Policy Advisor  
Office of Transportation and Air Quality US. EPA  
Email: (b) (6)  
Phone: 1-202-564-1123  
Mobile: 1-202-577-9354

----- Original Message -----

From: "Larry Schafer" (b) (6)  
Sent: 01/23/2013 09:34 PM GMT  
To: Paul Argyropoulos  
Subject: Are we still on for tomorrow at 2 pm?



-----  
Larry Schafer

The Diamond Group  
-- and --  
National Biodiesel Board

(b) (6)  
(b) (6)  
(b) (6)

T: (b) (6)  
O: (b) (6)  
-----

To: (b) (6)  
From: Larry Schafer  
Sent: Fri 1/25/2013 12:47:22 AM  
Subject: RE: National Biodiesel Conference - Presentation Reminder  
MAIL\_RECEIVED: Fri 1/25/2013 12:47:30 AM  
(b) (6)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)  
(b) (6)  
[www.epa.gov/otaq](http://www.epa.gov/otaq)  
(b) (6)  
[stephanie@kinsleymeetings.com](mailto:stephanie@kinsleymeetings.com)  
[stephanie@kinsleymeetings.com](mailto:stephanie@kinsleymeetings.com)

Paul,

I have an idea on the NBB Conference ...

Would you be interested in pre-taping a video of your presentation – where you would spend 20 minutes or so discussing the expectations from EPA and the RFS in 2013?

My thought is that if we pre-tape a video ... folks would get the content – as if it were live – which makes them happy ...

And then others on the panel can deal with the Q/A's ...

I will probably add Sandra Franco to the panel to discuss the pending legal issues ...

Let me know if you're up for it ...

We could film your presentation at our offices if you don't want to deal with your guys ...

Just a thought ... let me know ...

If you would rather not, then we will be okay without it ....

Thanks

---

Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

---

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Washington DC 20004

From: (b) (6) [mailto:(b) (6)]  
Sent: Thursday, January 24, 2013 11:22 AM  
To: Larry Schafer  
Subject: Fw: National Biodiesel Conference - Presentation Reminder

Larry,

As you know, I never fully committed to be there. As much as I'd like to, we have Byron going and it's likely he'll be our sole EPA rep. I was still intending to try and make the trip but I have some family coverage issues I have to address that week that will prohibit my attendance. My father in-law is undergoing surgery and my wife will be out of town so I have to deal with getting my daughter off to school etc. etc. Sorry about that. If I can get my parents to come and cover home front for me, I'll let you know.

See you later this afternoon.  
Paul

Paul N. Argyropoulos  
Senior Policy Advisor  
Office of Transportation & Air Quality  
US Environmental Protection Agency  
Office Phone: (b) (6)  
Mobile: (b) (6)  
Email: (b) (6)  
Website: www.epa.gov/otaq

----- Forwarded by Paul Argyropoulos/DC/USEPA/US on 01/24/2013 11:17 AM -----

From: "Stephanie Orr" <(b) (6)>  
To: Paul Argyropoulos/DC/USEPA/US@EPA  
Date: 01/23/2013 01:42 PM  
Subject: National Biodiesel Conference - Presentation Reminder

Session Information:

Speaker Name  
Paul Argyropoulos

Company/Organization  
US Environmental Protection Agency

Session Title  
The Future of the RFS and Growth in the U.S. Biodiesel Industry

Session Date/Time  
Wednesday, 2/6/2013, 3:15 pm - 4:45 pm

Speaker Information:

NBB needs a Bio and Headshot for marketing materials and will post bio and headshots to the conference website. If you have not already done so, please send your headshot image and bio information to

(b) (6)

Presentation Information:

While it is possible to upload your presentation in the "speaker ready room" as late as the day before our session, I would strongly recommend against doing so to avoid technical difficulties. Please send your final presentation to your track manager and/or (b) (6) by Tuesday, January 29th at COB. When you get to the conference, please check into the speaker ready room to make sure we have all the correct files loaded for your presentation.

NBB respects the privacy of presentation materials. Please indicate if we can make your presentation slides available to conference attendees.

- .. YES, I agree to posting my session slide to the conference website and presentation printing room.
- .. NO, I do not agree to posting my session slides to the conference website and presentation printing room.

To: (b) (6)  
(b) (6)  
From: Larry Schafer  
Sent: Fri 1/25/2013 1:08:05 AM  
Subject: One more question on Biodiesel and Las Vegas  
MAIL\_RECEIVED: Fri 1/25/2013 1:08:13 AM

Chris,

Thanks for the note ... I discussed with my team that you would not be able to attend the NBB Conference and Expo ... We clearly understand ...

As an alternative ... here is a thought ... because we really think it helps our reciprocal relationship and because we want to provide EPA with positive exposure at our conference ...

Would you consider pre- taping a 3 to 5 minute piece which would give us a chance to introduce you as the new Director of OTAQ -- explain to folks how long you have been in this business as the Assistant -- and give us a chance to say nice things about you and the leadership of EPA on renewable fuels issues?

And then allow YOU to greet our conference attendees (about 1200 ) -- wish us a Happy 20th Anniversary as an Industry -- and tell us you look forward to working with us in 2013 and beyond ...

It would be a nice touch for both EPA and NBB ...

We have a an outstanding film team we could send to you on short notice ... and I don't think you need to prepare anything ...

What do you think? Is it worth a shot?

Thanks and let me know.

-----  
Larry Schafer  
National Biodiesel Board  
O: (b) (6)  
M: (b) (6)  
(b) (6)  
-----

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-----Original Message-----

From: (b) (6) [mailto:(b) (6)]  
Sent: Friday, January 04, 2013 12:11 AM  
To: Larry Schafer  
Subject: Vegas

Larry,



I apologize for the late reply; I thought I had replied but did not. I regret that I am unable to participate in your annual meeting but as you now know i have asked Byron to participate. I hope your meeting is a success.

Happy New Year,

Chris

---

Christopher Grundler  
Director  
Office of Transportation and Air Quality  
(b) (6) (Washington)  
(b) (6) (Ann Arbor)

To: (b) (6)  
From: (b) (6)  
Sent: Fri 1/25/2013 4:30:35 PM  
Subject: Ruling  
MAIL RECEIVED: Fri 1/25/2013 4:30:50 PM  
(b) (6)  
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Paul: Here is what our counsel is saying.

The D.C. Circuit issued its decision in the 2012 RVO challenge today. The good news is that they left the advanced biofuel numbers untouched. The bad news is that they vacated the EPA's decision setting the cellulosic biofuel requirement.

The court found that EPA had improperly set the volume with the objective of promoting growth in the industry, rather than making an accurate prediction:

We do not think the text of § 7545(o)(7)(D)(i) or the general structure of the RFS program supports EPA's decision to adopt a methodology in which the risk of overestimation is set deliberately to outweigh the risk of underestimation. Section 7545(o)(7)(D)(i)'s reference to the "projected volume of cellulosic biofuel" seems plainly to call for a prediction of what will actually happen. EPA points to no instance in which the term "projected" is used to allow the projector to let its aspirations for a self-fulfilling prophecy divert it from a neutral methodology.

The court did, however, reject API's challenge that EPA had failed to "base" its decision on the EIA estimate. It also rejected the argument that EPA improperly relied on statements from cellulosic biofuel facility owners, saying, "But the producers were not only an almost inevitable source of information but were also a principal source of EIA's estimates; at least if EPA regarded that information with suitable caution, we can hardly fault it for following EIA's lead."

In that sense, the decision ends up being fairly narrow for our purposes. EPA remains free to deviate from EIA, and it is free to consider the kinds of information it believes to be pertinent in setting the volume. But it is not free to put a thumb on the scale for purposes of promoting cellulosic development.

We are continuing to review the opinion and assess options. We would have 45 days to seek rehearing.

Michael McAdams | Holland & Knight  
Sr Policy Advisor  
800 17th Street, NW Suite 1100 | Washington DC 20006  
Phone (b) (6) | Fax (b) (6)  
(b) (6) | www.hklaw.com

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To: "Larry Schafer" (b) (6)  
Cc: (b) (6)  
Sent: Sun 1/27/2013 9:18:36 PM  
Subject: Re: One more question on Biodiesel and Las Vegas  
MAIL\_RECEIVED: Sun 1/27/2013 9:18:37 PM

Larry--

Good idea, but I will be in Ann Arbor all this week, and at off site meetings all day thur and fri so my mon-wed are very booked.

Sorry

Chris

Sent by EPA Wireless E-Mail Services

----- Original Message -----

From: Larry Schafer (b) (6)  
Sent: 01/25/2013 01:08 AM GMT  
To: Christopher Grundler  
Cc: Paul Argyropoulos; Byron Bunker  
Subject: One more question on Biodiesel and Las Vegas

Chris,

Thanks for the note ... I discussed with my team that you would not be able to attend the NBB Conference and Expo ... We clearly understand ...

As an alternative ... here is a thought ... because we really think it helps our reciprocal relationship and because we want to provide EPA with positive exposure at our conference ...

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Thanks and let me know.

-----  
Larry Schafer

National Biodiesel Board

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(b) (6)

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Suite 505  
Washington DC 20004

-----Original Message-----

From: (b) (6) [mailto:(b) (6)]

Sent: Friday, January 04, 2013 12:11 AM

To: Larry Schafer

Subject: Vegas

Larry,

I apologize for the late reply; I thought I had replied but did not. I regret that I am unable to participate in your annual meeting but as you now know i have asked Byron to participate. I hope your meeting is a success.

Happy New Year,

Chris

---

Christopher Grundler  
Director  
Office of Transportation and Air Quality  
(b) (6) (Washington)  
(b) (6) (Ann Arbor)



To: (b) (6)  
From: Larry Schafer  
Sent: Mon 1/28/2013 6:02:18 PM  
Subject: one more question ...  
MAIL RECEIVED: Mon 1/28/2013 6:02:25 PM

(b) (6)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)  
[LSchafer@Biodiesel.org](mailto:LSchafer@Biodiesel.org)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

(b) (6)  
<mailto:Argyropoulos> (b) (6)  
(b) (6)  
[www.epa.gov/otag](http://www.epa.gov/otag)

(b) (6)  
(b) (6)  
(b) (6)

Paul,

Have you had a chance to consider this question ... (below) ...

You are a popular speaker ... and your loyal following would like to hear from you ... J

Let me know ...

-----  
Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

-----  
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Washington DC 20004

From: Larry Schafer

Sent: Thursday, January 24, 2013 7:47 PM

To: (b) (6)

Subject: RE: National Biodiesel Conference - Presentation Reminder

Paul,

I have an idea on the NBB Conference ...

Would you be interested in pre-taping a video of your presentation – where you would spend 20 minutes or so discussing the expectations from EPA and the RFS in 2013?

My thought is that if we pre-tape a video ... folks would get the content – as if it were live – which makes them happy ...

And then others on the panel can deal with the Q/A's ...

I will probably add Sandra Franco to the panel to discuss the pending legal issues ...

Let me know if you're up for it ...

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Just a thought ... let me know ...

If you would rather not, then we will be okay without it ....

Thanks

-----  
Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)  
-----

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Suite 505

Washington DC 20004

From: Argyropoulos.Paul@epamail.epa.gov [mailto:(b) (6)]  
Sent: Thursday, January 24, 2013 11:22 AM  
To: Larry Schafer  
Subject: Fw: National Biodiesel Conference - Presentation Reminder

Larry,

As you know, I never fully committed to be there. As much as I'd like to, we have Byron going and it's likely he'll be our sole EPA rep. I was still intending to try and make the trip but I have some family coverage issues I have to address that week that will prohibit my attendance. My father in-law is undergoing surgery and my wife will be out of town so I have to deal with getting my daughter off to school etc. etc. Sorry about that. If I can get my parents to come and cover home front for me, I'll let you know.

See you later this afternoon.  
Paul

Paul N. Argyropoulos  
Senior Policy Advisor  
Office of Transportation & Air Quality  
US Environmental Protection Agency  
Office Phone: (b) (6)  
Mobile: (b) (6)  
Email: (b) (6)  
Website: www.epa.gov/otaq

----- Forwarded by Paul Argyropoulos/DC/USEPA/US on 01/24/2013 11:17 AM -----

From: "Stephanie Orr" <(b) (6)>  
To: P (b) (6)  
Date: 01/23/2013 01:42 PM  
Subject: National Biodiesel Conference - Presentation Reminder

Session Information:

Speaker Name  
Paul Argyropoulos

Company/Organization  
US Environmental Protection Agency

Session Title  
The Future of the RFS and Growth in the U.S. Biodiesel Industry

Session Date/Time  
Wednesday, 2/6/2013, 3:15 pm - 4:45 pm

Speaker Information:

NBB needs a Bio and Headshot for marketing materials and will post bio and headshots to the conference website. If you have not already done so, please send your headshot image and bio information to

(b) (6)

Presentation Information:

While it is possible to upload your presentation in the "speaker ready room" as late as the day before our session, I would strongly recommend against doing so to avoid technical difficulties. Please send your final presentation to your track manager and/or (b) (6) by Tuesday, January 29th at COB. When you get to the conference, please check into the speaker ready room to make sure we have all the correct files loaded for your presentation.

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" YES, I agree to posting my session slide to the conference website and presentation printing room.

“ NO, I do not agree to posting my session slides to the conference website and presentation printing room.



To: (b) (6)  
From: Larry Schafer  
Sent: Tue 1/29/2013 7:02:27 PM  
Subject: guessing you know ...  
MAIL RECEIVED: Tue 1/29/2013 7:02:33 PM  
(b) (6)  
[www.americasadvancedbiofuel.com](http://www.americasadvancedbiofuel.com)

RVO ... was signed last night and may be posted today .... ?

---

Larry Schafer

National Biodiesel Board

O: (b) (6)

M: (b) (6)

(b) (6)

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